

Commodity Futures Trading Commission  
CEA CASES

**NAME:** DEAN WITTER & CO., INCORPORATED

**DOCKET NUMBER:** 197

**DATE:** AUGUST 31, 1972

**DOCUMENT TYPE:** COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Dean Witter & Co., Incorporated, Respondent

CEA Docket No. 197

Complaint and Notice of Hearing Under the Commodity Exchange Act

There is reason to believe that the respondent has violated the Commodity Exchange Act (7 U.S.C. 1 et seq.) and the regulations made pursuant thereto, and this complaint and notice of hearing is issued stating the charges in that respect as follows:

I

Respondent Dean Witter & Co., Incorporated, a Delaware corporation with offices at 45 Montgomery Street, San Francisco, California 94104, is now, and was at all times material herein, a registered futures commission merchant under the Commodity Exchange Act and so engaged in business.

II

(a) At the times hereinafter stated, respondent Dean Witter & Co., Incorporated, in the regular course of its business as futures commission merchant, carried accounts of customers who traded in commodity futures on contract markets subject to the provisions of the Commodity Exchange Act and the regulations thereunder.

Such accounts, the trading therein, and the handling and disposition of funds in connection therewith, were subject to the provisions of the said Act and regulations. At all such times, the respondent corporation had to its credit with banks or other depositories, money and securities in varying amounts, held in segregated accounts and identified as customers' funds, representing deposits of margin by and trading profits accruing to such customers.

(b) During the periods between July 21 and September 3, 1971, and September 6 and October 7, 1971, the respondent corporation was continuously undersegregated in amounts ranging from \$ 15,684.39 on September 2, 1971, to \$ 413,768.51 on August 2, 1971, that is throughout the periods specified above, the total amount of customers' funds held in segregation as above described, was from \$ 15,684.39 to \$ 413,768.51 less than the amount necessary to pay all credits and equities due to such customers.

(c) On each business day during the periods specified above, the respondent corporation prepared and kept a record purporting to show the amount required to be held in segregation, and the amount segregated, which record indicated that the respondent corporation had in excess funds in segregation, whereas, in truth and in fact, the said firm was undersegregated as specified above.

III

By reason of the facts alleged in this complaint, respondent Dean Witter & Co., Incorporated, wilfully violated sections 4d and

4g of the Commodity Exchange Act (7 U.S.C. 6d, 6g), and sections 1.20, 1.21, 1.22, 1.23, 1.32 and 1.35 of the regulations thereunder (17 CFR 1.20, 1.21, 1.22, 1.23, 1.32, 1.35).

WHEREFORE, it is hereby ordered that this complaint and notice of hearing be served upon the respondent and this proceeding shall be governed by sections 0.1, 0.2, 0.4(b), 0.5 through 0.22 and 0.28 of the rules of practice under the Commodity Exchange Act (17 CFR 0.1, 0.2, 0.4(b), 0.5 through 0.22, 0.28). The respondent will have twenty (20) days after the receipt of this complaint in which to file with the Hearing Clerk, United States Department of Agriculture, Washington, D. C. 20250, an answer with an original and three copies, fully and completely stating the nature of the defense and admitting or denying, specifically and in detail, each allegation of this complaint. Allegations not answered will be deemed admitted for the purposes of this proceeding. Failure to file an answer will constitute an admission of all the allegations of this complaint and a waiver of hearing. The filing of an answer in which all of the material allegations of fact contained in the complaint are admitted likewise shall constitute a waiver of hearing unless a hearing is requested. The respondent is hereby notified that unless hearing is waived, a hearing will be held in San Francisco, California, at a place therein and date to be specified later, before a referee

designated to conduct such hearing. At such hearing, the respondent will have the right to appear and show cause, if any there be, why an appropriate order should not be issued in accordance with the Commodity Exchange Act, (1) suspending or revoking the registration of the respondent as futures commission merchant, (2) prohibiting the respondent from trading on or subject to the rules of any contract market, and directing that all contract markets refuse all trading privileges to the respondent for such period of time as may be determined and (3) directing that the respondent shall cease and desist from violating the Act and regulations in the manner alleged herein.

It is ordered that this complaint and notice of hearing be served on the respondent at least twenty (20) days prior to the date set for hearing.

Done at Washington, D. C.

August 31, 1972

[SEE SIGNATURE IN ORIGINAL]

Richard E. Lyng

Assistant Secretary

**LOAD-DATE:** June 16, 2008

